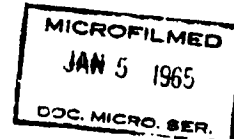


C O P Y

April 19, 1951

MEMORANDUM FOR THE RECORD

SUBJECT: Conference with Ladislav Farago of Radio Free Europe



1. In reference to the attached cable from the Chief of Staff, USAF, the undersigned and Mr. Wm Graver traveled to Munich as representatives of the Air Force Section to contact Ladislav Farago. We arrived in Munich about 1430 hours on 13 April, took a room in the Excelsior Hotel and telephoned the office of Radio Free Europe to contact Farago. He, at the time, was not available so a message was left for him to come to our room at the Excelsior.

2. At about 1600 hours Farago came, apologized for being late and proceeded to make us his proposal. We identified himself as being in charge of the Hungarian Desk for the headquarters of Radio Free Europe. He described the job that RFE was attempting to do and gave us a brief summary of the programs that are being channeled into the peripheral countries at the present time. He stated that the new transmitter in Munich had been completed and that starting very shortly RFE would be channeling 11 hours a day of programs into the iron curtain countries. He described the programs that are in progress now and the amazing response that has come out of Hungary.

3. In discussing one program called "Post Office Box 6220" he said that as many as 700 letters per month had been received from individuals inside Hungary. These letters were comments on the program, questions, descriptions of life in Hungary and the usual radio-listener type letter. He described another program called the "Doctor's Program" which employs prominent Hungarian doctors and gives medical and technical advice to people in Hungary. This program was also enjoying excellent response. A third program called the "Historian Program" was just getting underway and according to Farago was being responded to by amateur Hungarian historians.

4. Other work that RFE is doing consists of screening and interrogating refugees to obtain "hot items of news" from behind the curtain. He said that RFE was establishing offices in Trieste, Munich, Salzburg, Vienna and in many other cities "around the edge".

5. After the description of the present activities of RFE, Farago was asked to discuss his connections with General Zako and the MREK. He said that his original contact with Zako had been made through Nicholas Lassa, member of the Hungarian National Council in New York. Following that introduction, Farago wrote to Zako from New York, explaining to him briefly that RFE was interested in his organization. Zako answered this letter with a long general description of his capabilities and a statement as to his intentions. Zako said he was interested only in the reestablishment of a free and democratic Hungary, that he himself had no personal axe to grind and realized that he had no following politically inside Hungary. He asked Farago to contact him personally in Europe.

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6. Farago reviewed Zako's offer and decided that he could use him to collect information and run operations into Hungary. He went to Washington, contacted General Vandenberg of the Air Force and was referred to General Ackerman to whom he outlined Zako's proposal. Ackerman's interest apparently resulted in the cable attached. Farago arrived in Munich and contacted Zako, invited him to Munich and spent two days conducting a thorough debriefing of the potentialities of Zako and his MHEK. He said that his approach to Zako was made on the basis that Zako was a complete failure, that no one in the World was interested in him because of his rightist political connections. Zako admitted that so far none of his overtures had met with any success and that he was willing to do anything now to gain support. Zako told him that his resistance (KPOJAS) organization which he and SKORZENY had established in 1944 and 1945 was still in existence inside Hungary. He claimed that the organization originally consisted of 35,000 members and that the complete registry is in his hands in Innsbruck. He claims that the registry had been kept up to date and that occasionally couriers have contacted the members in Hungary. He admits that this organization needs revitalizing and that many of the members have expressed apathy towards any overt action at the present time. He volunteered to travel himself in the guise of a protestant minister to Hungary to contact former KSPJAS members and to reestablish the organization.

7. He said he had taken sufficient precaution in 1945 to keep the organization from being blown. However, he admits that following the assassination of Attila Kovacs as many as 300 people, former members of his organization were executed or taken to Russia by the MVD. He felt that those remaining members of the organization were secure and are not penetrated.

8. As proof of his ability Zako offered to turn over to RFE 400 couriers who would travel to Hungary at various times getting information. In addition he offered to kidnap any individual suggested by RFE. He himself suggested the daughter of one of the MVO leaders and he volunteered to deliver this girl to Salzburg. At the present time Zako said he is only conducting debriefing of refugees, monitoring of police reports, maintaining KSPJAS registry, and sending an occasional courier into Hungary.

9. In reference to support given to Zako by other countries, Farago said the only actual support had come from the French and had soon been withdrawn. Also control of the Hungary Guard Company in Innsbruck had been taken away from Zako and he was completely dissatisfied with the support he had been able to obtain from other countries.

10. Zako's personal support appears to come from a foundation called ZRINTI which is apparently based in the U.S. and is supported by wealthy Hungarians there. Zako apparently draws sufficient living expenses from that organization.

11. Farago went on to describe RFE's interest in the Zako organization. He said that it was his idea to establish a front organization called the "Fighters for a Democratic Hungary" behind which a secret intelligence organization ~~should~~ could operate into Hungary. This intelligence organization should be capable of getting up-to-the-minute news of events within Hungary, of doing small acts of sabotage and of creating unrest within Hungary including even the kidnapping of prominent individuals. He felt that he could use some of Zako's resources to set up his intelligence organization. However, he had no intention of employing or supporting Zako himself. He felt that by giving small items of support to Zako he could get him to turn over some of his personal resources for use.

Farago intends to closely control any operations reaching into Hungary and to keep that control from falling into Zako's hands. Naturally most of his plans are in a nebulous state at the present time.

12. He said he would return to the U.S. on about 15 April and contact the Hungarian National Council to smooth over their objections to RFE's use of the MHBK. He said he could convince that National Council that for reasons of expediency they should not object to contact with Zako. He then intends to draw up his plans and return to Europe about 7 May when he will again contact Zako and go to work putting his plans into effect.

13. Farago felt that the Air Force should be interested in this plan for the following reasons:

a. because the new organization could provide escape and evasion networks for downed fliers and

b. because he thought that accurate and voluminous information could be provided.

He felt that RFE and the Air Force should cooperate in running this outfit. He said it was quite possible that technical parts of air planes and engines could be brought out of Hungary by this network. He asked for our recommendation on the subject.

14. Graver and I both said that the Air Force would be definitely interested in such an outfit provided that we could first have satisfactory proof that they could do something. We told him that in order to satisfy ourselves as to the value of any such unit we would first have to receive and evaluate intelligence reports, including the operational details of their procurement. We also told him that it might be possible that sometime in the future we would have an interest in acts of sabotage and kidnapping but at the present time we had absolutely no interest in these things. Farago appeared pleased with our interest and said that on his return he would recontact Zako and let us know the results. It appeared to us that Farago intends to go ahead "full steam" with his plans.

15. It appears from this discussion that an intelligence jurisdictional flap is about to happen. It might be well for USFA to determine the conditions of RFE's charter in Europe and to find out to what extent they are authorized to dip into the intelligence gathering business. They seem to have unlimited funds but a limited number of capable personnel and that many of the mistakes made by USFA and CIC throughout the past years are about to be repeated. It looks as if business will soon become good for the intelligence factories of Austria.